and Bhandars. The Government has announced continuation of rebate on sales of Khadi for the year 1998-99 also.

Rate of Industrial Production

1589. MISS SAROJ KHAPARDE: Will the Minister of INDUSTRY be pleased to state:

(a) what has been the rate of growth in the industrial production during last three years;

(b) what has been the rate of growth of consumer *vis-a-vis* capital goods industry;

(c) whether the industrial sector is facing recessionary trends recently; and

(d) if so, the details of steps taken by Government to improve the position of industrial sector?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) and (b) The sector wise industrial growth for the last three years is as follows:

(Base: 1993-94=100)

Sectors	1995-96	1996-97	1997-98	1997-98 (Apr-Sep)	1998-99 (Apr-Sep)
All Industries	12.7	5.6	6.6	6.0	3.6
Capital Goods	4.1	9.3	5.2	7.8	7.8
Consumer Goods	12.4	5.2	5.7	2.5	0.8

(c) The slow down in industrial growth can be attributed to both the domestic and external factors. The domestic factors include weak demand on account of inadequate investment in infrstructure sectors, like power, ports and transport, and slow down in general investment mainly due to capital market conditions and partly due to corporate restructuring in some industries in order to become internationally competitive. On the external side, the export growth has been negative.

The demand has been slackening for basic goods like steel, cement, commercial vehicles, capital goods as well as consumer durables. This has resulted in cut back of production by the industries and build-up of inventories.

Export growth declined to (−)5.08% during April-October 1998, following significant declaration from the peak level of 21.4% in 1995-96 to 4% in 1996-97 and 2.6% in 1997-98. As exports constitute significant proportion of total manufacturing output in the country, the decline in exports has adversely impacted industrial production.

(d) In order to arrest the slowdown in industrial growth, Government have taken various measures during the Budget 1998-99 and thereafter to stimulate and revive industrial growth.

The package of measures announced in the Budget *inter alia*, included.

(i) delicensing of coal and lignite, petroleum refining and sugar.

(ii) increase in limit for aggregate investment by NRIs raised from 5% to 10%.

(iii) rationalisation of tariff structure by introducing spescial additional duty of customs to remove disadvantages faced by the domestic industry.

(iv) Plan outlay for Energy, Transport and Communications stepped up by 35% to Rs. 61,146 crores in 1998-99 (BE) as against Rs. 45,252 crores in 1997-98 (RE).

(v) Central and State Electricity Regulatory Commissions to be set up to rationalise power tariffs.

(vi) Urban Land Ceiling and Regulation Act (ULCRA) to be repealed, which would lead to a step up in construction activity and demand for materials such as cement, steel etc.

The recent measures announced by the Government to stimulate and revive industrial growth include:

(i) Special package announced for revival of growth in exports.

(ii) The Government has allowed buy back of shares and intercorporate loans to boost investment and revive the capital market.

(iii) To give an immediate boost to industrial activity, the busy season credit policy announced by RBI has contemplated no upward revision of interest rates.

(iv) Counter guarantees given by Government to three major fast track power projects, are expected to lead to financial closure and thus create demand for basic and other goods.

(v) Six lane, 7000 km highways at a cost of Rs. 28,000 crores are to be taken up.

(vi) Government has agreed to permit foreign equity in the insurance sector. The opening of the insurance sector would provide long term finance for the infrastructure sector.

(vii) Four Task Forces have been constituted for Steel, Capital Goods, Commercial Vehicles and Cement to recommend policy interventions to address the problems faced by these sectors. The task Forces have submitted their recommendations to the Ministry of Finance. The Government has already notified exemption of seven inputs used in steel manufacturing from the special customs duty. The policy announcements relating to other sectors are expected shortly.

Payment of service charges by Hindustan Paper Corporation

1590. PROF. RAM GOPAL YADAV:
SHRI ISH DUTT YADAV:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Service Charges have been paid by Hindustran Paper Corporation to its dealders for sales and to State Governments and Central Government departments;

(b) if so, the details thereof;

(c) whether it is a fact that Cash Discounts, Rebates and other Discounts in crores of rupees is being passed on to the stockists every year by M/s. Hindustan Paper Corporation; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL): (a) and (b) Hindustan Paper Corporation (HPC) has not engaged any private agent or dealer for servicing any State/Central Government Department orders w.e.f. 1996-97.

(c) and (d) HPC allows discounts such as cash discount for advance and prompt payment, quantity and specific variety discount, discount on fulfilment of time-bound targets etc. to its accredited stockists to make HPC's product competitive in the market and to meet the challenges from other mills in order to boost up sales.

Approval of Joint Ventures by FIPB

1591. SHRI JIBON ROY:
SHRI C.O. POULOSE:

Will the Minister of INDUSTRY be pleased to state: